

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )  
 )  
Billed Party Preference ) CC Docket No. 92-77  
for 0+ InterLATA Calls )

COMMENTS

BellSouth Telecommunications, Inc. ("BellSouth") files these comments in response to the Notice of Proposed Rulemaking ("NPRM") released May 8, 1992, in the above-captioned proceeding. Paragraphs 36 through 43 of the NPRM invite public comment on the use of "proprietary" calling cards in conjunction with 0+ access.<sup>1</sup> Specifically, the Commission requests comment on whether AT&T should be required to make validation data associated with its card issuer identification (CIID) card available to all requesting operator service providers. Alternatively, the NPRM suggests limiting use of CIID cards to access code dialing, and comment is likewise sought on this proposal.

For the reasons stated below, BellSouth maintains that AT&T's provision of billing and validation services through its CIID card is subject to the full panoply of Title II regulation and accordingly should be tariffed as a general

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<sup>1</sup> "Proprietary" calling cards are issued by an IXC or other operator service provider (excluding LECs). These cards may be validated only by reference to data maintained by the card issuer. Within the context of the NPRM, a card is "proprietary" when other OSPs are denied access to validation data by the card issuer--as is presently true of AT&T's CIID card. NPRM, para. 36.

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offering pursuant to Sections 201 et seq. of the Communications Act, 47 U.S.C. Sections 201 et seq.

#### DISCUSSION

The NPRM released May 8, 1992, requests comment on the merits of restricting use of AT&T's proprietary card to place 0+ dialed calls. Parties advocating such restriction are asked to provide information as to the following: "(1) how and by whom the choice between a proprietary access code card and a nonproprietary 0+ card should be made; (2) how IXC's would distinguish and screen proprietary and nonproprietary card calls; (3) whether carriers should be obligated merely to instruct proprietary cardholders to dial access codes, or whether they should also be required to reject 0+ calls by customers using proprietary calling cards; (4) what information would have to be made available to enable OSPs to carry and bill for nonproprietary 0+ calls; (5) the impact the above-described proposal would have on consumers; and (6) the impact this proposal might have on the costs and benefits of billed party preference or the timeliness with which it could be implemented."<sup>2</sup>

The Commission recently held in a companion order that LEC-provided validation and screening are common carrier communication services subject to regulation under Title

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<sup>2</sup> NPRM, para. 43.

II.<sup>3</sup> To the extent the Commission's analysis has validity for BellSouth's Line Information Data Base (LIDB) service, it applies with equal force to the issuance, use and validation of AT&T's CIID cards.

AT&T enjoys significant market power in the provision of calling card services by virtue of its large, preexisting customer base and the prevalence of the AT&T-issued proprietary card. As a practical matter, use of this widely held card forecloses competition from other OSPs who lack independent means of assessing creditworthiness of the responsible party. AT&T's classification as a common carrier with respect to CIID validation and screening is therefore necessitated by its exclusive possession of current validation data, obtained through AT&T's activities as a dominant interexchange carrier and not subject to replication by OSP competitors.<sup>4</sup>

Moreover, practical considerations support the result urged by BellSouth. The very questions posed in the NPRM highlight the difficulties inherent in maintaining dual usage of proprietary and nonproprietary calling cards. By contrast, where all cards are nonproprietary (i.e., validation and screening data are made available on

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<sup>3</sup> Policies and Rules Concerning Local Exchange Carrier Validation and Billing Information for Joint Use Calling Cards, CC Docket No. 91-115, FCC 92-168, Report and Order and Request for Supplemental Comment, released May 8, 1992 (hereinafter "R&O").

<sup>4</sup> See R&O, para. 22-25.

nondiscriminatory terms to all OSPs) there is no need to formulate rules governing choice between proprietary and nonproprietary cards nor must IXC's implement different call handling methods to accommodate different card billing mechanisms.<sup>5</sup>

The real beneficiary of BellSouth's approach is, however, the consuming public. If validation and screening data are universally available to OSPs, end users can enjoy the convenience of 0+ dialing while using the billing mechanism of their choice. Further the elimination of "proprietary" calling cards will promote competition in the operator services industry, because the customer's choice of service billing mechanism will no longer of necessity determine his/her choice of service provider. AT&T's argument that its proprietary card serves the public interest by protecting consumers against the unwitting use of a competitor's service is not especially persuasive. Call branding and other informational requirements now imposed on operator-assisted calls (47 U.S.C. Section 226), the availability of 0- Transfer Service, and AT&T's own

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<sup>5</sup> Although the NPRM and these comments largely address the AT&T-issued card, it is BellSouth's position that any calling card issued by an OSP is within the purview of Title II. Validation and screening services of a nondominant carrier would, of course, qualify for the same "streamlined" regulation deemed appropriate to other offerings. See Policy and Rules Concerning Rates for Competitive Common Carrier Services and Facilities Therefor (Competitive Carrier), First Report and Order, 85 F.C.C.2d 1 (1980); Second Report and Order, 91 F.C.C.2d 59 (1982).

considerable effort to publicize alternative 10XXX dialing make it improbable that any customer wishing to use AT&T's operator service as well as AT&T's card will be denied that opportunity.

In short, universal access to card validation and screening data offers many of the benefits of billed party preference--expansion of customer options and promotion of OSP competition--without the significant economic and technological impediments of the latter service. In conjunction with other industry trends (e.g., wide deployment of 0- Transfer Service), the expanded availability of card validation data urged here by BellSouth represents a timely and effective response to the concerns which originally prompted interest in billed party preference.

#### CONCLUSION

For the reasons stated above, the Commission should find that validation and screening services associated with any OSP-issued calling card are subject to Title II regulation and specifically to the requirement of

nondiscriminatory service provisioning. The Commission should further direct AT&T to make validation and screening services for its CIID card available under tariff to any requesting OSP.

Respectfully submitted,  
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